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SUBJECT: SAUDI WOMEN'S QUIET PROGRESSION

Summary

1. (SBU) Saudi Arabia is the biggest economy in the Middle East despite the fact that women constitute only 10 percent of the workforce. The SAG continues to create education opportunities for women, but the private sector seems to lack both the infrastructure and ability to absorb the growing number of female graduates. The SAG's efforts to create employment and investment opportunities for women are often hampered by company reluctance and ideological resistance from parties that have yet to come to terms with the idea of women in the workforce. In spite of these difficulties, female business leaders continue to push for new opportunities. Many are optimistic that, with King Abdullah's progressive attitude towards women and his determination to invest in Saudi human capital, business and employment opportunities for women will continue to expand. End summary.

Signs of Improvement in Economic Opportunity

2. (SBU) In 2008, Saudi Arabia was the world's 23rd largest economy, with a GDP of 467 billion USD and a population of 24.8 million, 50 percent of whom were women. Today, 62 percent of students enrolled in higher education in Saudi Arabia are women. There were 58,000 university students studying abroad on government scholarships, 21 percent of whom were women. Post is told that, of this year's 4,000 King Abdullah scholarship recipients, 60 percent are women. In October 2008, King Abdullah laid the foundation for the Princess Noura bint Abdulrahman University, a \$4 billion women-only institution. It will accommodate up to 40,000 students and offer research programs in areas such as nanotechnology, biotechnology, and information technology.

3. (SBU) On September 23, King Abdullah inaugurated the King Abdullah University for Science and Technology (KAUST). KAUST is the first international, graduate-level co-ed research university in the Kingdom. This multi-billion dollar endowment is a realization of a decades-long vision of King Abdullah that presents men and women alike with higher education opportunities.

4. (SBU) The increase in female graduates raises the question whether the labor market can absorb their growing numbers. In November 2007, then-Minister of Economy and Planning Dr. Khaled Al-Gosaibi told press that the government's 2005-2009 five year development plan intends to raise the percentage of women in the Saudi workforce from 5.4 percent to 14.2 percent. Women currently constitute approximately 10 percent of the Saudi workforce, mostly holding jobs in education, health, journalism, and social affairs. Recent figures released by the Ministry of Labor (MOL) place unemployment among Saudi women at 21.7 percent, although this does not factor in a low level of female workforce participation. Accordingly, many economists suspect the actual unemployment figure is much higher.

The Road to Unemployment is
Paved with Good Intentions

¶5. (SBU) In April 2004, the Saudi Council of Ministers approved a nine-point plan to create more jobs and business opportunities for women. The plan includes opening women's sections at SAG ministries, allowing women to set up businesses without the requirement that a male guardian run the business, allocating public land for women-only industrial areas, helping women work from home, and allowing women to hold jobs in shops dealing in women-only goods. The Ministry of Labor was given one year to develop a full-scale national plan to employ more women.

¶6. (SBU) The years since 2004 saw several government attempts to create more jobs for women. One anecdote helps describe the kind of barriers that exist. In June 2005, Labor Minister Dr. Ghazi Al-Gosaibi announced a phased 2-year plan to limit sales jobs in women's lingerie and clothing shops to Saudi women. To underscore the Ministry's seriousness and ensure compliance with the decision, Minister Al-Gosaibi announced that the MOL would no longer authorize employment visas for foreign workers in this sector. Implementation required that shop owners tint or conceal their windows, employ Saudi women and admit female shoppers only. However, industry concerns regarding the lack of trained Saudi women and the lack of desire on the part of many women to work long hours and double shifts forced the Ministry in May 2006 to postpone implementation indefinitely.

Women in Business? Whose Business Is It?

¶7. (SBU) In January 2008, Chairman of the Jeddah Chamber of Commerce and Industry (JCCI) Saleh Al-Turki said that the lack of employed women in the Saudi workforce creates an imbalance in which only thirty percent of the population provides financial support for the

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rest. He further said that in order to achieve a competitive economy, Saudi Arabia needed a highly qualified labor force to increase productivity and therefore increase the general income of the country.

¶8. (SBU) Conservative commentators provide a strong counterweight to the calls of liberals and of elements of the government for greater female participation in the economy. In March 2009, Dr. Khaled Al-Shamrani, Dean of the High Institute for the Promotion of Virtue and Prevention of Vice, told the press that he was frustrated with the MOL's attempts to create jobs for women. He said he felt this is not an area for the MOL's involvement and that the whole issue of women working should be subject to the interpretations of Shari'a law.

The Challenges of Entrepreneurship

¶9. (SBU) On October 13, Emboffs attended the Women's Annual Business Gala at the Riyadh Chamber of Commerce and Industry (RCCI). The fact that this year's event was held in RCCI's main lobby for the first time reflects the Ministry of Commerce (MOC) and RCCI's support for promoting women's business opportunities. Many of the women present agreed that the MOC and RCCI are doing what they can to enable female entrepreneurs to set up their businesses.

¶10. (SBU) One businesswoman stated that the impediments they encounter in setting up businesses originate within other agencies (than RCCI). She used her own conference organization business as an example. As a woman, she may in principle set up a firm that specializes in organizing conferences provided she only employs women. The MOC advised her that in order to apply for a commercial license, she needs to produce a rental contract for the premises where her firm will be located. However, the Ministry of Municipal and Rural Affairs (MMRA) refuses to allow her to rent property without first producing a commercial license. Like many before her, she expressed the view that these situations are usually caused by working-level SAG officials who are skeptical about the idea of women in business. She also stated that her personal Saudi ID is not recognized or even treated as an official document except at the MOC, JCCI, and the Ministry of Social Affairs (MOSA).

Saudi Women's Small, But Determined Steps

¶11. (SBU) On October 28, Econ Specialist met with Deputy Chairman of the Riyadh Economic Forum and Chairwoman of RCCI Huda Al-Jeraisi. As a businesswoman in her own right, Al-Jeraisi experiences many of the frustrations shared by women running businesses in Saudi Arabia.

Her main concern is that many Saudi women attempting to enter the private sector lack much-needed experience. She often encounters female job seekers that have advanced degrees but little or no experience. Al-Jeraisi is of the opinion that Saudi women have to change their attitudes towards vocational training, be willing to seek internships and accept jobs at the beginning of their careers, no matter how simple, in order to build up experience, rather than looking to immediately head an organization.

¶12. (SBU) Al-Jeraisi is currently working with members of the RCCI on a program to allow women to run businesses out of their homes. The proposal, which is in line with the Council of Ministers' nine-point plan, will be put forth to King Abdullah. According to Al-Jeraisi the program will open up opportunities for thousands of Saudi women to run their businesses from home, and by so doing, help overcome obstacles imposed by a society that has yet to come to terms with the idea of women in business. In spite of the obstacles ahead, Al-Jeraisi's outlook for the future remains optimistic.

Comment

¶13. (SBU) The scope of what King Abdullah is trying to do in expanding education opportunities for women in Saudi Arabia is ambitious. He has already overcome significant cultural challenges, and these efforts are likely to pay big dividends in years to come. Translating that into actual gains in the workplace, however, will be an equally formidable task.

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